

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-181 OF THE CODE OF ORDINANCES OF THE CITY OF LEESBURG, FLORIDA; PERTAINING TO UTILITY DEPOSIT POLICIES; PROVIDING FOR A WAIVER OF NON-RESIDENTIAL UTILITY DEPOSITS FOR REAL ESTATE AGENTS AND BROKERS LICENSED IN THIS STATE; PROVIDING FOR A CONFLICT; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA, that:

SECTION 1.

Section 22-181 of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read:

Sec. 22-181. Utility Deposit Policy.

The following policy shall govern all deposits made for utilities provided by this chapter.

(1) Residential Deposits

a. Amount. The amount of deposit required by utility is as follows:

Electric	\$175.00
Gas	\$ 50.00
Water	\$ 50.00
Internet	amount of monthly bill

In lieu of the deposit required, a new residential customer may furnish a letter of good standing from another utility company showing that the customer has had a satisfactory payment record with that utility company for the immediately preceding twelve monthly billing cycles.

b. Good pay policy. Deposits required for residential customers will be refunded after two (2) years upon a good pay record. Good pay is defined as no more than two (2) late payments and no notices of termination for nonpayment in a consecutive 12-month period.

c. Multiple deposits and transfers.

1. A residential customer may use his good pay credit status to obtain service to a new account if the customer changes residences within the

utility area. A residential customer may transfer his credit status to a maximum of two (2) residential units, one (1) of which is his primary residence.

2. A customer that transfers within the utility service area will not be required to pay an additional deposit if the payment record is satisfactory for the 12 months immediately preceding the date of transfer.

d. Multiple locations. When a customer transfers to a new location, utility service can be provided to both locations simultaneously for seven (7) days without posting an additional deposit.

(2) Non-Residential Deposits.

a. Amount. For non-residential customers, a utility deposit equal to two and one half (2 1/2) times an estimated monthly average is required for all locations. In lieu of a cash deposit, the city will accept a letter of credit or bond in a form acceptable to the city. A bond must be drawn upon a good and sufficient surety licensed to do business in the State of Florida. A letter of credit must be issued by a bank, savings and loan association or other financial institution licensed as such by the United States of America or the State of Florida, authorized to do business in Florida, and acceptable to the City.

b. Installment payments. If any utility deposit required by this Code exceeds the sum of \$1,000.00, the customer may elect to pay the deposit in not more than three (3) monthly installments, each equal to one — third (1/3) of the total amount of the deposit. The first installment shall be due at the time service is initiated, and the two remaining installments shall be payable as part of the first two monthly utility bills rendered to the customer. Failure to remit timely any monthly installment shall be grounds for termination of the utility service for which the deposit is required. No customer who has failed timely to pay installments due on a utility deposit shall be eligible to elect to pay any future utility deposits on an installment basis.

c. Re-evaluation of deposits. At any time after six (6) months' service the city may re-evaluate the monthly bill and adjust the deposit up or down depending on billing history.

d. Transfers. When a commercial customer transfers from one location to another, a utility deposit equal to two and one half (2 1/2) times an estimated monthly average of the new location will be required.

e. Multiple locations. When a customer transfers to a new location, utility service can be provided to both locations simultaneously for 15 days without posting an additional deposit.

(3) **Waiver of Non-Residential Deposits.**

a. Non-residential deposits required under Section 22-181(2), may be waived for real estate agents/brokers who are licensed in this State but only upon application being made pursuant to this subsection, and then only to the extent that the licensed real estate agent/broker is seeking to have utility services provided to an unoccupied non-residential building currently being offered for sale or lease by the licensed real estate agent/broker. The term of the waiver shall not exceed the term of the listing agreement under which the licensed real estate agent/broker has the right to offer the building for sale on behalf of the owner.

b. Real estate agents/brokers licensed in this State who desire to obtain the non-residential deposit waiver provided for above, shall execute a written application under which, in addition to any other requirements, the broker or agent agrees to be personally responsible for all monthly utility fees and charges on the account until the utilities are transferred into the name of a customer who puts up the required deposit. This personal responsibility for payment of utility charges shall continue until the real estate agent/broker notifies the City in writing to cut off service to the building, notwithstanding that the listing agreement may have expired.

c. No account established under this subsection without a deposit shall continue for a period in excess of six monthly utility billing cycles unless an extension is applied for in writing by the real estate agent/broker, and has been approved in writing by the City Manager for good cause shown. No broker or agent who, after obtaining a waiver of deposit under this subsection, fails timely to pay all charges incurred on the account so established, shall be entitled to the benefits of this subsection as to any future account the broker or agent establishes, and must after such failure timely to pay, put up a deposit in the amount required by this code.

(4) Poor payment policy. Residential customers with a history of poor payment will be required to pay a deposit equal to twice the average monthly bill based on the most current 12-month history. Poor pay is defined as two (2) disconnections for nonpayment in the 12-month period

(45) Application of deposits. Deposits will be applied to account balances upon calculation of final bill. Any installment not paid when due shall bear interest at the rate of 18% per annum until paid in full. The city retains the right to apply any refundable deposit against the customer's account(s) when a balance ~~is-existing~~exists and then to refund any credit balance remaining.

(56) Future policy changes. The city manager and city ~~clerk~~-finance director are authorized, by joint action, to establish such further policies and procedures to implement this section as they may deem necessary from time to time, which policies and procedures shall be presented to the city commission for its approval prior to the implementation thereof.

(67) Name change on deposit. A deposit can only be transferred to a different

customer in the event of death or divorce or when a business has purchased all assets and the legal documents specifically state that the utility deposits are part of the deal to the new owners. Legal documents must be provided to substantiate qualification for transfer under this subsection.

(78) Interest on deposits.

All utility deposits held by the City of Leesburg, placed by customers of any utility service provided by the city, shall earn interest and the customers shall receive a credit for the interest so earned, in accordance with the following criteria:

a. Deposits will earn interest from the date of posting forward, to the date of final disbursement.

b. Deposits shall earn interest at a rate adjustable monthly and equal to the rate promulgated by the Florida State Board of Administration for the ~~month~~ which month, which is two (2) months prior to the month for which the rate is being computed. For example, the interest rate on deposits in the month of May will be the rate set by the State Board of Administration for the month of March.

c. Interest will be compounded monthly and credited to the customer's account annually on September 30. For ~~accounts which~~ accounts that are terminated prior to September 30, interest will be credited as of the date of termination on a daily, prorated basis.

d. At the time a utility account is terminated, the deposit and any interest earned thereon will be applied to the customer's final bill to the extent necessary to pay that bill. Any amount of the deposit plus earned interest then remaining shall be refunded to the customer.

e. Only cash deposits shall earn interest. Any deposits held in the form of a bond or letter of credit shall not earn interest or receive any credit for interest.

f. No customer shall be eligible for the interest credit unless and until the customer has furnished the city with the customer's Social Security number, or a Federal Taxpayer Identification Number.

SECTION 2.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repealed or the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so affected shall be hereby repealed.

SECTION 3.

If any portion of this ordinance is declared invalid or unenforceable, then to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance

shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION 4.

This ordinance shall become effective upon its passage and adoption according to law.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the _____ day of _____, 2007.

THE CITY OF LEESBURG

By: _____
Mayor

ATTEST:

City Clerk